

**CORRECTED MINUTES OF THE
JOINT PUBLIC EDUCATION APPROPRIATIONS SUBCOMMITTEE MEETING
MONDAY, JANUARY 28, 2008, 2:00 P.M.
Room W135, West Office Building, State Capitol Complex**

Members Present: Sen. Howard A. Stephenson, Co-Chair
Rep. Bradley G. Last, Co-Chair
Sen. Lyle W. Hillyard
Sen. Patricia W. Jones
Sen. Kevin T. VanTassell
Rep. Tim M. Cosgrove
Rep. Brad L. Dee
Rep. Lorie D. Fowlke
Rep. Gage Froerer
Rep. Ronda Rudd Menlove
Rep. Karen W. Morgan
Rep. Phil Riesen
Rep. Carl Wimmer

Members Absent: Rep. Gregory H. Hughes
Rep. Aaron Tilton

Staff Present: Ben Leishman, Legislative Fiscal Analyst
Patrick Lee, Legislative Fiscal Analyst
Nedra Duzett, Secretary

Public Speakers Present: Larry Shumway, Deputy Superintendent, USOE
Brenda Hales, Associate Superintendent, USOE
Judy Park, Associate Superintendent, USOE
Todd Hauber, Associate Superintendent, USOE
Morrell Martin, Transportation Specialist, USOE
Christine Kearle, USOE

A list of visitors and a copy of handouts are filed with the Subcommittee minutes.

Co-Chair Stephenson called the meeting to order at 2:20 p.m.

1. **Analyst Budget Presentation - MSP Related Programs** - Ben Leishman, Legislative Fiscal Analyst, spoke on this agenda item. He referred to the Budget Brief - MSP Related to Basic Programs. The Minimum School Program - Related to Basic Program includes several categorical programs often referred to as "below-the-line" or "Non-Weighted Pupil Unit (WPU) Driven Programs. With the passage of H.B. 1 (2008 General Session) state funding supporting Related to Basic Programs totals \$764.6 million. This represents

an increase of 129 percent over 1999. Mr. Leishman highlighted the Optional Extended-Day Kindergarten. The Legislature provided \$30 million in one-time funding to support a four-year program. This funding level provides approximately \$7.5 million for each year of the pilot. In order to maintain the number of extended-day classes offered in the first year of the program, the Analyst recommends that the Subcommittee prioritize \$450,000 in one-time Uniform School Fund to support the program in FY 2009.

Another item mentioned was the School LAND Trust Program. Utah has approximately three million acres of school trust lands that were set aside at statehood to support the public schools. Revenue generated from these lands is saved in the permanent State School Fund. The Analyst recommends that the Legislature include the estimated Interest and Dividends revenue of \$26 million in the Minimum School Program - School LAND Trust Program for distribution to the public schools.

Computer - Based Testing was also discussed. The Analyst recommends that the Subcommittee prioritize an additional \$4 million in one-time Uniform School Funds to support the transition to online testing. Excluding this appropriation, the Legislature has provided \$17.5 million in support of online testing.

The Public Education Job Enhancement Program (PEJEP) provides scholarships and signing bonuses for teachers in math, physics, chemistry, physical science, information technology, learning technology, and special education. In FY 2007, the Legislature appropriated \$2.5 million in ongoing funding to support the program. Also in FY 2007, a total of 245 Advancement Awards (scholarships) and 218 Opportunity Awards (signing bonuses) were granted to Utah Educators. The Analyst recommends that the Subcommittee prioritize \$1 million in ongoing Uniform School Funds to support the PEJEP program.

A summary is also provided in this brief on the Voted & Board Leeway State Guarantee. Statute provides for an increase in the state guarantee for the Voted and Board Leeway each year until the guarantee equals 0.010544 times the value of the prior year WPU. The guarantee rate may increase 0.0005 each year until it reaches the statutory threshold. In FY 2009, the state guarantee rate will increase from \$23.07 to \$25.25 per WPU. Mr. Leishman indicated that this year this program will not require any additional money from the Legislature. This was funded in the Base Budget Bill through the ongoing base state funds appropriated to support the Voted and Board Leeway.

Mr. Leishman also discussed the Issue Brief - Teacher Supplies and Materials. Over the past 15 years, the Legislature has consistently appropriated one-time Uniform Schools Funds to help individual teachers cover out-of-pocket expenditures made on classroom supplies and materials. The first appropriation totaled \$3 million and has grown to \$10

million in FY 2008. The Brief provides a history of the funding levels. During the 2006 General Session, the Legislature revised the maximum reimbursement rates allowed per teacher. Reimbursement rates take into account the grade level taught by each teacher and a teacher's position on the district salary schedule. Teachers in the lower grades (K-6) and relatively new to the progression (salary schedule steps 1-3) receive a higher reimbursement than secondary and more veteran teachers. The Analyst recommends that the Subcommittee prioritize \$10 million in one-time Uniform School Funds to reimburse teachers for out-of-pocket expenditures in educational supplies and materials.

Mr. Leishman also referred to the Issue Brief - Pupil Transportation. During the 2007 General Session, following a report by the Fiscal Analyst, the Legislature requested that the State Board of Education conduct a study during the 2007 interim to fully review the various components of the Transportation Finance Formula, school district reporting procedures, mechanisms to annually adjust formula components, and FY 2009 cost estimates. On December 4, 2007, the Subcommittee heard the report and the recommendations of the study group. The group adjusted auditing and accounting procedures to improve accountability and ensure comparability among school districts. Within that study, it was recommended that the State provide 80 percent of the cost of To and From Pupil Transportation. In budgeting for FY 2009, the FY 2007 Annual Financial Report is the most recent comprehensive report, and the recommended \$9.1 million will provide 85 percent of these expenditures. The Analyst recommends that the Subcommittee prioritize \$9.1 million in ongoing Uniform School Funds to support To and From Pupil Transportation in the school districts.

In addition to the To and From School Program, the State also supports the Guarantee Transportation Levy. This program assists a minority of school districts in providing student transportation services not covered through the To and From School Program. This program assists districts with the added transportation costs associated with remote locations, hazardous routes, student field/activity trips, and small student population. The Analyst recommends that the Subcommittee prioritize \$150,000 in ongoing Uniform School Funds to support the Guarantee Transportation Levy.

Mr. Leishman also suggested that the Subcommittee may wish to review whether transportation money should be directly appropriated to the Utah Schools for the Deaf and Blind instead of transferring funds through the Minimum School Program.

2. **Analyst Budget Presentation - School Building Program** - The last item presented by Mr. Leishman was the Budget Brief - School Building Program. Three programs comprise the School Building Program: the Capital Outlay Foundation Program, the Enrollment Growth Program, and the School Building Revolving Account. The state appropriates just over \$27 million to both the Capital Outlay Foundation Program and

the Enrollment Growth Program. This funding supports school districts in construction of new buildings or the renovation of buildings. The Analyst recommends that the Subcommittee prioritize \$10 million in one-time Uniform School Funds to continue additional support for the Enrollment Growth Programs in FY 2009.

Mr. Leishman explained in further detail to the Subcommittee members the Minimum School Program Table contained in the *Budget Analysis FY 2009*.

3. **Agency Comment & Recommendations** - Larry Shumway, Deputy Superintendent, USOE, presented this agenda item. The Subcommittee received a booklet entitled, *2008 Legislative Budget Requests, Utah State Board of Education*. As mentioned in a previous meeting, the Board has organized their budget priorities into three tiers. Tier I represents Requests--Promoting Excellence, Tier II Requests--Moving Forward, and Tier III represents Requests--Sustaining Achievement.

Dr. Shumway first discussed **Title: 1.1 ProExcel**. ProExcel is designed to improve student achievement by ensuring that all Utah students have a quality teacher for their classrooms. ProExcel is focused on teacher retention and recruitment, professional compensation, and educational leadership. The Board has requested a \$25 million appropriation in this area. The Governor's Budget has allocated \$26 million.

Dr. Shumway also mentioned **Title: 3.16 Educator Salary Adjustments**. The purpose of H.B. 382 was to give each licensed classroom teacher a \$2,500 salary increase and a \$1,000 bonus. The adjustment was implemented to attract and retain qualified teachers in the public education system. Dr. Shumway indicated that the Board is preparing a letter that will be sent to the school districts directing that salary schedules are adjusted so that all districts and charter schools have salary schedules in line with the now appropriated full amount. Funding is calculated at \$2,640 per licensed educator but the actual calculation is \$3,106. Approximately 2,000 teachers were not included in the original count. The Board has also asked school districts to report back as to these salary adjustments. The Board will then give a report to the Subcommittee of the status. Rep. Wimmer asked if this report will confirm that the teachers did indeed receive the salary increase. Dr. Shumway stated the school districts have passed every dollar that was appropriated on to the salaries of educators as was outlined.

Brenda Hales, Associate Superintendent, USOE, discussed the **Title: 1.2 4-6 Math Initiative**. The purpose of this funding is to improve mathematics achievement and instruction. The following will be provided:

- Intervention for struggling students
- Implementation of on-going Professional Development programs to fulfill requirements toward elementary mathematics endorsements and training
- Professional development to improve the mathematical content knowledge of all 4-6 grade teachers
- Mathematics software to address individual students' needs
- Development and implementation of formative and on-going mathematics assessments.

The USOE is requesting \$18 million. The reason for this funding request is that test results show a continuing decline in 4-6 math.

The second request is **Title: 1.3 Increasing Achievement for English Language Learners and Family Literacy Centers**. The request deals with the following issues:

- To close the achievement gap between ELLs and other student population
- To Address the unique needs of Utah's ELL families
- To Support family literacy as an effective strategy to increase student achievement, parent involvement, literacy skills, and language gains for all ELLs.

The amount requested is \$10 million.

Title: 2.1 21st Century Teaching and Learning Initiative was also discussed. This initiative is to improve access to and appropriate use of technology that will improve instruction and achievement. The funding will support the following:

- Obtain and use critically needed hardware, software, and technology information
- Implement formative and summative on-going assessments
- Improve on-going technical support to maintain technology assets.

The amount requested is \$50 million.

Title: 2.2 Minority Achievement request is to provide minority achievement and provide the following:

- Statewide professional development
- Funding to reduce class size
- Incentives to recruit, retain, and reward successful teachers who work with minority students.

Eighth grade math course-taking patterns reveal that a greater proportion of white students take more upper-level math courses while the greater proportion of Hispanic, African American, Pacific Islander, and American Indian students take lower-level math courses. There is a 30 percent gap between certain ethnic groups and the state average reflected on Utah's NAEP 6th grade scores. The amount requested for this initiative is \$5 million.

Title: 2.4 STEM Enhancement (Science, Technology, Engineering, and Mathematics Initiative is to improve teacher quality and retention through long-term on-going professional development. The amount requested is \$1,435,000.

Title: 2.5 Adolescent Literacy is to improve and support reading achievement and instruction in secondary schools. This initiative will help in the following ways:

- Provide intervention for struggling students
- Develop and implement formative, on-going secondary literacy assessments and provide literacy data and assessment training to secondary schools
- Provide Reading Coaches at model secondary sites
- Develop and provide research-based literacy professional development for secondary teachers.

The amount requested is \$3,545,000.

Judy Park, Associate Superintendent, USOE, presented **Title: 2.6 Computer Based Testing**. Utah is in the process of moving state required assessments from a paper-based format to a computer format. A full transition will require a change in the development of the tests that will include more dynamic question formats, accommodations for Students with Disabilities and English Language Learners, an improved formative assessment tool that students can use to improve academic performance and prepare for the computer-based testing format, and training for districts in the computer-based format. Moving to 100 percent computer-based testing will also incur increased software costs as more students participate. The amount requested is \$3.2 million.

Title: 2.7 Adaptive Testing Pilot Program has great potential as an improved method of assessment for all students in the state of Utah to greatly enhance and possibly replace some of the current state required assessments. Adaptive Testing is an electronic assessment that is completely individualized. The assessment "adapts" to the student's knowledge by the student responses to questions. As a student answers questions correctly, the questions become more difficult. As a student answers questions incorrectly, the questions become less difficult. The assessment not only provides diagnostic information to inform instruction, but can be used multiple times during the

year to monitor growth and improvement. This money would create five pilot programs. The amount requested is \$500,000.

Brenda Hales, Associate Superintendent, USOE, presented the next initiative **Title: 2.8 Increasing Academic Achievement of MESA (Mathematics, Engineering, and Science Achievement Students)**. Utah's 8th grade Science Core CRT test results show a statewide average of 68 percent proficiency, with Latinos at 36.6 percent, African Americans at 44.4 percent, American Indians at 36.0 percent, and Pacific Islanders at 47.1 percent. MESA offers a strategic and systemic opportunity to narrow the achievement gap and create a seamless pipeline to higher education. The amount requested is \$1,500,000.

Title: 2.9 Professional Development is to provide research-based professional development to teachers in CORE Curriculum subjects. The amount requested \$500,000.

Title: 2.10 Pre-K Initiative is to increase student achievement through a unified approach and specific strategies for systemic change through existing Pre-Kindergarten Programs and interagency partnerships. It is proposed that an early childhood specialist be provided for every 400 children. The amount requested is \$7,800,000.

Title: 2.11 Indigenous Heritage Language Program is to provide funding for native language programs designed to improve overall achievement. The Native American Language Revitalization Act of 2003 and the priorities of the National Indian Educators Association both affirm the importance of retaining or revitalizing indigenous languages. The Council of Chief State School Officers fully support the strategies of native language programs to improve student achievement. The indigenous nations residents in Utah support efforts to remain and/or revitalize their heritage languages. Funding is needed to provide for the "Revitalization of the Indigenous Languages" associated with Utah's five indigenous peoples, i.e., Paiute, Goshute, Navajo, Northwestern Band of Shoshone, and the Ute. The amount requested is \$275,000.

Judy Park, Associate Superintendent, USOE, presented the initiative **Title: 2.12 Accountability Reporting and Analysis Infrastructure**. USOE is responsible for all of the state and federal accountability and assessment reporting and all of the student level data and program data that is collected and analyzed. Increased state and federal mandates require an increase in the capability and capacity of USOE computer services to respond to these requests. The funding will allow an improvement of the following:

- Extract Tools
- Metadata Support
- Quality Assurance
- Information management and archiving
- Increased data storage and processing capacity

The amount requested is \$300,000.

Todd Hauber, Associate Superintendent, USOE, presented **Title: 2.14 State Funding of Fee Waivers**. This initiative is to provide state funding for the impact on school programs where fees are waived. The amount requested is \$4 million.

Brenda Hales presented **Title: 2.15 Utah K-8 Online**. This appropriation is to develop curriculum for 7th and 8th grade subjects for 14 full year online classes matched to the Utah core curriculum. The amount requested is \$360,000.

Todd Hauber presented **Title: 2a.1 Regional Service Centers Compensation**. The Regional Service Centers are cooperative arrangements among rural school districts to share costs in administration and operations of programs such as technology, reading specialists, etc. The amount requested is \$83,000.

The next requests come from the Tier III Sustaining Achievement. Todd Hauber spoke on **Title: 3.1 Educator Salary Adjustment**. The purpose of H.B. 382 was to give each licensed classroom teacher a \$2,500 salary increase and a \$1,000 bonus. The adjustment was implemented to attract and retain qualified teachers in the public education system. The amount requested is \$19 million.

Title: 3.2 Enrollment Growth Program was established to provide additional support to those school districts which are experiencing the most pressing needs for facilities due to rapid growth. The reason for this larger request is that enrollment is projected to increase 2.9 percent over the current year. The increase is 14,668 new students. The amount requested is \$74,250,000. There was some discussion of the projected increase. The Board accepts a 2.4 percent increase in enrollment growth.

Todd Hauber presented **Title: 3.3 WPU Increase**. The WPU is the basic funding unit for public education. He stated that the Board is supporting a 10 percent increase applied to all MSP programs.

- 6 percent basic inflation increase
- 2 percent insurance and other benefit increases
- 2 percent increase in base salaries across-the-board prior to implementation of a performance-based pay plan.

The amount requested is \$247,500,000.

Title: 3.4 Student Transportation was discussed previously.

Title: 3.5 Special Transportation Levy was also discussed previously.

Larry Shumway presented **Title: 3.6 Carson-Smith Special Needs Scholarship**. The Carson-Smith Special Needs Scholarship provides tuition assistance to eligible students enrollment in eligible private schools. The amount requested is \$1,500,000.

Todd Hauber presented **Title: 3.9 Charter School Local Replacement Funding**. This initiative will be discussed at a later meeting dealing with Charter Schools.

Title: 3.9 Highly Impacted Schools was also presented by Todd Hauber. A 6 percent increase will provide additional funding for a program that has not received an increase in seven years. Currently 50 schools participate in the program. The amount requested is \$307,400

Title: 3.10 Adult Corrections Program provides educational opportunities to adults located in state prisons and jails. A 6 percent increase will provide additional funding for a program that has not received enrollment and inflationary cost increases. The amount requested is \$162,100.

Title: 3.11 Youth Center - State Hospital states that the State Board has responsibility for the education of youth held in state custody. Those children committed to the State Hospital in Provo are provided education services by the Provo School District. A 6 percent increase will cover increased compensation costs. The amount requested is \$69,200.

Larry Shumway presented **Title: 3.12 PEJEP Increase. Funds**. These funds are needed to continue efforts to train and recruit teachers in critical need areas, such as math, science, and special education. In 2007-2008 the PEJEP has allocated 187,000 advancement awards. These awards are for advanced degrees and endorsements. The value of those awards combined is \$2.1 million. Utah's school districts continue to report shortages in science, mathematics, and special education. The amount requested is \$2,000,000.

Todd Hauber presented **Title: 3.16 Educator Salary Adjustment Supplemental**. The amount requested is \$22,300,000.

Title: 3.17 Funding Alignment Study is in response to the Legislative Auditor General's audit on class size reduction. USOE proposed to study the audit question raised on the appropriateness of the weights used to value the WPU funded programs in the Minimum School Program. The amount requested is \$500,000.

Discussion among the Subcommittee members centered around the different budget requests made by the State Board of Education. Co-Chair Stephenson asked the Board to look into using a more comprehensive testing pool rather than expanding UTIPS. Professional Development was discussed, and Co-Chair Stephenson asked for more detailed information on how the money is being spent. Questions were also raised by Co-Chair Stephenson concerning the Indigenous Heritage Language Program. Brenda Hales responded by saying that she would bring some of the people involved with the program to speak to the Subcommittee members. Larry Shumway also stated that he believes that it is a high priority of American Indian Tribes in the state to maintain the cultural integrity of the language. Rep. VanTassell also spoke in support of this program as a pilot program in a few schools. Co-Chair Stephenson also discussed Educator Salary Adjustment Supplement. It has been heard that some school districts believe that they are only responsible for the \$2,500 salary adjustment in the first year, and that in future years they can modify back to the regular salary schedule. Larry Shumway responded by stating the Board would communicate with the districts and hold districts accountable to the statute. The Board will track teacher salaries and will make sure that the intent of the Legislature is met. Sen. Jones asked if there are gapping holes between the Board's budget requests and the Governor's budget. Larry Shumway indicated that the technology needs of the state continue to be enormous. Another need is the expansion of the Electronic High School. There is also a need for students who require less than a college diploma and more than a high school degree. That is the need in technical education. Co-Chair Last brought up a question concerning Student Transportation. He asked if there was a written document available. Morrell Martin, Transportation Specialist at the State Office indicated that data is now ready for process. Christine Carl from the State Office spoke to the Subcommittee concerning STEM Enhancement. This data is contained in a bill sponsored by Rep. Bigelow.

Brenda Hales referred to a handout entitled, *Utah - Optional Extended Day Kindergarten*. This handout details questions that were posed about this program in a previous meeting. Co-Chair Stephenson asked for additional information on the amounts per student in OEK.

4. Public Comment - There were no public comments.

5. Other Committee Business - There was no other Subcommittee business.

6. Adjourn

MOTION: Sen. Jones moved to adjourn the meeting.

Co-Chair Stephenson adjourned the meeting at 4:28 p.m.

Minutes were reported by Cherie Schmidt, Secretary.

Sen. Howard Stephenson, Co-Chair

Rep. Bradley G. Last, Co-Chair